



BOARD OF FINANCE

LYME TOWN HALL
480 HAMBURG ROAD
LYME, CT 06371

LYME BOARD OF FINANCE
Regular Meeting

The Lyme Board of Finance held a Regular meeting at The Lyme Town Hall, 480 Hamburg Rd, Lyme CT. 06371 on Tuesday October 18, 2022. Immediately following the Board of Finance Special Meeting.

Regular meeting

MEMBERS PRESENT: Alan Sheiness Chair, David Brown, Dan Hagan, Bob House, Kathryn Wayland, Steve Mattson, Jim Miller (alternate), Lannie Mossberg secretary.

Absent Members: Adam McEwen (alternate), Bruce Anderson (alternate)

Selectmen Present: David Lahm & Financial Director Nalini Srinivasan

Members of the public were also present

The meeting was called to order at 6:39 p.m.

Introduce Finance Director Nalini Srinivasan

Sheiness introduced Nalini Srinivasan, the new Town Finance Director. Sheiness commented that Nalini has a lot of relevant outside experience. She is in the office 2-3 days a week and has been with us for about a month. Nalini is here to help if we have a deep-dive questions and budget process. Lahm stated Nalini comes very well qualified and is great to have town residents working in the building. The Board of Selectman has appointed Peter Evankow Treasurer because Bill Hawthorn retired after very many years. Hawthorne was a Lyme Firefighter, and Deputy Treasurer. Lahm wanted the record to reflect that the Town owes Bill Hawthorne a great debt of service.

Approve the minutes from the August 9, 2022 meeting

Sheiness called for a motion to approve the minutes as presented. Hagan made the motion, seconded by Brown, and the motion carried unanimously.

Selectman Report on the 1st Quarter 2022-2023 Results

Lahm reviewed the 1st quarter budget results stating so far it's a good year. The budget is doing as expected in general property tax. Lahm stated we are at 98% of what was expected to collect. On the income side of conveyance tax and building permits are at 50% first quarter. Building economy and real estate are still strong. Taxes are almost the same dollar amount as last year even though they were expected to go down. ARPA funds have been fully received. \$224 thousand dollars after the first quarter which doesn't reflect in the current budget sheet.

All but \$30 thousand dollar ARPA funds have been allocated. Mattson stated allocated money earmarked can be changed but needs to be reported to federal government. Budget allows us to complete 10 miles of chip seal on town roads instead of 5 miles although, the company from state suppliers let us down. Lahm stated the company said they can do it when it's cold but no warranty. Therefore, Lahm declined to have the work done in the cold season. Mitchell Hill, which is in severe need of work, will be tended to instead even though the capital plan was for a few years from. Lahm stated he should be receiving the plans for fixing the road tomorrow. Instead of patch work, it will be fixed fully with guardrail and the road will be straightened it out a bit. House questioned tree trimming funding. Lahm stated that the State & Eversource, are doing most of tree trimming. House questioned the Q1 Land Use spending. Lahm commented it is on a litigation item, and it will be monitored.

Mill Rate Models (with & without Region 18 proposed Referendum)

Sheiness spoke on information supplied to Region 18 for the Lyme and Old Lyme impact on mill rates resulting from the pending referendum. The cost per mill rate, per 100k appraised value, or \$70k assessed value per year, was reflected in Region 18's information sessions. Sheiness discussed Region 18 proposed new debt service, and existing debt runoff. Interest rates in the Option 4 scenario are high 3's. Region 18 presentation shows \$57million cost with \$10 million state reimbursement, \$47 million borrowed. Discussed expansion impact and student percentage assumptions.

Mattson questioned what the October student count was. Lahm stated it hadn't been presented yet. Miller stated that the town benefits or gets hurt from student percentage fluctuations.

Sheiness then quantified the revision to our future year projections based on the new Option 4 proposal, as compared to the assumptions included in our projections in April 2022. Lastly, Sheiness presented alternate mill rate scenarios that could be possible with and without the referendum debt service in the Region 18 expenditures. Sheiness questioned if there were any general funds or mill rate questions or comments. Brown commented that he likes the mill rate updates shown on paper. Hagan questioned three entities involved, what is the bond rating for all the entities. Lyme has no debt which is better. Hagan also mentioned looking into bonding our \$9million bill from the district ourselves. Is there advantage, or impediments. Sheiness said he will ask Ian and bring it up in the next community leadership meeting.

Updates from working committees

Miller discussed the Compensation study. Of the three highest ranked, two sent proposals, one will need to be chosen to move forward with the study, and should be chosen within 10 days. Hagan commented he would like if the board were going to spend money on this it should come before the whole Board of Finance to interview who Miller recommends. If decided upon, Sheiness commented a special meeting would be called.

Brown gave an update on Specific funds balances. It is recommended to hold the Open Space Fund at \$1 million. The Capital Fund is at \$1million and could stay at that amount. More work needs to be done on history of usage from and additions to the Capital Fund. Discussion ensued on funding a fixed amount per year into the Capital Fund, and drawing from the Capital Fund each year for current approved capital expenditures. In this way the Fund fluctuates yearly

instead of the pressure on the mill rate fluctuating yearly. Further analysis will be done. Hagan stated he does not support holding any more money from the taxpayers than we are now, maybe a mill rate relief instead of holding it. There was a cemeteries committee discussion. Miller gave an update on affordable housing, and there needs to be a study done along with a discussion with P&Z.

Approve Board of Finance schedule for 2023

Sheiness called for a motion to approve BOF 2023 schedule. Hagan made the motion, seconded by Brown.

Adjournment

The meeting was adjourned at 8:08 p.m.

Respectfully submitted,

Lannie Mossberg, Secretary